



General Assembly

February Session, 2004

**Amendment**

LCO No. 4999

**\*HB0541504999HDO\***

Offered by:

REP. FRITZ, 90<sup>th</sup> Dist.  
REP. DELGOBBO, 70<sup>th</sup> Dist.  
REP. GERAGOSIAN, 25<sup>th</sup> Dist.  
REP. KIRKLEY-BEY, 5<sup>th</sup> Dist.  
REP. LAWLOR, 99<sup>th</sup> Dist.  
REP. MALONE, 47<sup>th</sup> Dist.  
REP. MEGNA, 97<sup>th</sup> Dist.  
REP. MUSHINSKY, 85<sup>th</sup> Dist.  
REP. ROY, 119<sup>th</sup> Dist.  
SEN. COLEMAN, 2<sup>nd</sup> Dist.

SEN. CRISCO, 17<sup>th</sup> Dist.  
SEN. DAILY, 33<sup>rd</sup> Dist.  
SEN. FASANO, 34<sup>th</sup> Dist.  
SEN. HERLIHY, 8<sup>th</sup> Dist.  
SEN. LEBEAU, 3<sup>rd</sup> Dist.  
SEN. MCDONALD, 27<sup>th</sup> Dist.  
SEN. MURPHY, 16<sup>th</sup> Dist.  
SEN. PETERS, 20<sup>th</sup> Dist.  
SEN. PRAGUE, 19<sup>th</sup> Dist.

To: House Bill No. 5415

File No. 40

Cal. No. 76

**"AN ACT CONCERNING REVISIONS TO THE PUBLIC SERVICE  
COMPANY STATUTES."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective from passage*) (a) For purposes of this  
4 section, "municipal aggregation unit" means a municipality, political  
5 subdivision of a municipality, or group of municipalities that serve as  
6 an electric aggregator for the purpose of negotiating the purchase of  
7 electric generation services from an electric supplier for all electric  
8 customers within the legal boundaries of the subject municipality,

9 political subdivision of a municipality, or group of municipalities.

10 (b) On and after January 1, 2005, there shall be a municipal electric  
11 aggregation demonstration program that shall operate for a period of  
12 not more than five years. Such demonstration program shall allow  
13 customers to opt-out of the electric service offered by the municipal  
14 aggregation unit, except that customers receiving electric generation  
15 service pursuant to a contract at the time of offering may opt-in to the  
16 program. The combined number of participants in each phase of the  
17 demonstration program shall represent not more than four hundred  
18 megawatts of load in the state, as determined by the Department of  
19 Public Utility Control. Each municipal aggregation unit that seeks to  
20 participate in the demonstration program shall file with the  
21 department a letter of intent, draft ordinance and such other  
22 documentation as the department may require not later than  
23 September 1, 2004. The department may establish additional filing  
24 deadlines as it deems appropriate. The department shall review such  
25 filings to ensure that the municipalities participating in the  
26 demonstration program represent a diverse range of population sizes.  
27 Each municipal aggregation unit shall retain the services of a firm  
28 having expertise in electric aggregation and energy procurement to  
29 provide assistance with its participation in the demonstration  
30 program, including, but not limited to, the development of its request  
31 for proposal. Municipalities or political subdivisions of municipalities  
32 that are served by municipal electric utilities that have declined to  
33 participate in the competitive electric generation market prior to  
34 January 1, 2004, shall not be eligible to participate in this  
35 demonstration program.

36 (c) A municipality shall initiate a process to form or join a municipal  
37 aggregation unit by the adoption of an ordinance.

38 (d) The municipal aggregation unit shall issue a request-for-  
39 proposal to licensed electric suppliers for the provision of electric  
40 generation service and select a bidder upon the basis of a written  
41 analysis that the economic benefits will be equal to or exceed the

42 current or projected economic benefits of receiving electric generation  
43 services through transitional standard offer service or standard service.  
44 The municipal aggregation unit shall not be subject to the provisions of  
45 section 16-245s of the general statutes, as amended.

46 (e) Not later than June 15, 2004, the Department of Public Utility  
47 Control shall open a proceeding to develop a set of demonstration  
48 program requirements which shall include, but not be limited to, the  
49 manner by which electric customers are provided (1) notice of the  
50 initiation of a demonstration program, (2) information regarding rates  
51 and environmental characteristics, (3) information regarding contract  
52 terms and conditions, and (4) notice regarding a customer's right to  
53 cancel service. Electric customers shall be given not less than thirty  
54 days notice prior to the initiation of a demonstration project.

55 (f) Not later than January 1, 2007, the Department of Public Utility  
56 Control, in consultation with the Office of Consumer Counsel, shall  
57 submit, in accordance with section 11-4a of the general statutes, a  
58 report regarding the performance of the municipal electric aggregation  
59 demonstration program to the joint standing committee of the General  
60 Assembly having cognizance of matters relating to energy. The report  
61 shall also include findings and recommendations regarding whether or  
62 not the time period for this demonstration program should be  
63 extended, and whether or not the program should be expanded state-  
64 wide.

65 Sec. 502. Subdivision (31) of subsection (a) of section 16-1 of the  
66 general statutes is repealed and the following is substituted in lieu  
67 thereof (*Effective from passage*):

68 (31) "Electric aggregator" means (A) a person, municipality,  
69 municipal aggregation unit, as defined in section 1 of this act, or  
70 regional water authority that gathers together electric customers for  
71 the purpose of negotiating the purchase of electric generation services  
72 from an electric supplier, or (B) the Connecticut Resources Recovery  
73 Authority, if it gathers together electric customers for the purpose of

74 negotiating the purchase of electric generation services from an electric  
75 supplier, provided such person, municipality, unit or authority is not  
76 engaged in the purchase or resale of electric generation services, and  
77 provided further such customers contract for electric generation  
78 services directly with an electric supplier or, in the case of a municipal  
79 aggregation unit, such customers contract for electric generation  
80 services with an electric supplier in accordance with the provisions of  
81 section 1 of this act, and may include an electric cooperative  
82 established pursuant to chapter 597.

83 Sec. 503. Section 16-245o of the general statutes, as amended by  
84 sections 12 and 13 of public act 03-135, is repealed and the following is  
85 substituted in lieu thereof (*Effective from passage*):

86 (a) To protect a customer's right to privacy from unwanted  
87 solicitation, each electric company or electric distribution company, as  
88 the case may be, shall distribute to each customer a form approved by  
89 the Department of Public Utility Control which the customer shall  
90 submit to the customer's electric or electric distribution company in a  
91 timely manner if the customer does not want the customer's name,  
92 address, telephone number and rate class to be released to electric  
93 suppliers. On and after July 1, 1999, each electric or electric distribution  
94 company, as the case may be, shall make available to all electric  
95 suppliers customer names, addresses, telephone numbers, if known,  
96 and rate class, unless the electric company or electric distribution  
97 company has received a form from a customer requesting that such  
98 information not be released. Additional information about a customer  
99 for marketing purposes shall not be released to any electric supplier  
100 other than a municipal aggregation unit unless a customer consents to  
101 a release by one of the following: (1) An independent third-party  
102 telephone verification; (2) receipt of a written confirmation received in  
103 the mail from the customer after the customer has received an  
104 information package confirming any telephone agreement; (3) the  
105 customer signs a document fully explaining the nature and effect of the  
106 release; or (4) the customer's consent is obtained through electronic  
107 means, including, but not limited to, a computer transaction.

108 (b) All electric suppliers except municipal aggregation units shall  
109 have equal access to customer information required to be disclosed  
110 under subsection (a) of this section. No electric supplier except a  
111 municipal aggregation unit shall have preferential access to historical  
112 distribution company customer usage data.

113 (c) No electric or electric distribution company shall include in any  
114 bill or bill insert anything that directly or indirectly promotes a  
115 generation entity or affiliate of the electric distribution company. No  
116 electric supplier shall include a bill insert in an electric bill of an  
117 electric distribution company."

118 (d) All marketing information provided pursuant to the provisions  
119 of this section shall be formatted electronically by the electric company  
120 or electric distribution company, as the case may be, in a form that is  
121 readily usable by standard commercial software packages. Updated  
122 lists shall be made available within a reasonable time, as determined  
123 by the department, following a request by an electric supplier. Each  
124 electric supplier seeking the information shall pay a fee to the electric  
125 company or electric distribution company, as the case may be, which  
126 reflects the incremental costs of formatting, sorting and distributing  
127 this information, together with related software changes. Customers  
128 shall be entitled to any available individual information about their  
129 loads or usage at no cost.

130 (e) Each electric supplier shall, prior to the initiation of electric  
131 generation services, provide the potential customer with a written  
132 notice describing the rates, information on air emissions and resource  
133 mix of generation facilities operated by and under long-term contract  
134 to the supplier, terms and conditions of the service, and a notice  
135 describing the customer's right to cancel the service, as provided in this  
136 section. No electric supplier shall provide electric generation services  
137 unless the customer has signed a service contract or consents to such  
138 services by one of the following: (1) An independent third-party  
139 telephone verification; (2) receipt of a written confirmation received in  
140 the mail from the customer after the customer has received an

141 information package confirming any telephone agreement; (3) the  
142 customer signs a document fully explaining the nature and effect of the  
143 initiation of the service; or (4) the customer's consent is obtained  
144 through electronic means, including, but not limited to, a computer  
145 transaction. A customer who has a maximum demand of five hundred  
146 kilowatts or less shall, until midnight of the third business day after  
147 the day on which the customer enters into a service agreement, have  
148 the right to cancel a contract for electric generation services entered  
149 into with an electric supplier. The provisions of this subsection shall  
150 not apply to the customers of municipal aggregation units.

151 (f) An electric supplier shall not advertise or disclose the price of  
152 electricity in such a manner as to mislead a reasonable person into  
153 believing that the electric generation services portion of the bill will be  
154 the total bill amount for the delivery of electricity to the customer's  
155 location. When advertising or disclosing the price for electricity, the  
156 electric supplier shall also disclose the electric distribution company's  
157 average current charges, including the competitive transition  
158 assessment and the systems benefits charge, for that customer class.

159 (g) Each electric supplier shall comply with the provisions of the  
160 telemarketing regulations adopted pursuant to 15 USC 6102.

161 (h) Any violation of this section shall be deemed an unfair or  
162 deceptive trade practice under subsection (a) of section 42-110b."